
Amendment No. 2 to CHA's Moving to Work Agreement

This Amendment No. 2 to the "Memorandum of Approval, Resident Protection Agreement, Moving to Work Agreement", dated February 6, 2000 ("the MTW Agreement"), is entered into by and between the U.S. Department of Housing and Urban Development ("HUD") and the Chicago Housing Authority ("CHA"). Reference is made to Amendment No. 1 to CHA's Moving To Work Agreement, dated January 17, 2001 ("Amendment No. 1"). Reference also is made to CHA's Plan for Transformation, as described in the MTW Agreement.

Amendment No. 1 states that to ensure that adequate relocation and replacement resources are available to CHA residents, HUD will provide a Section 8 voucher, subject to Congressional appropriations, for each public housing unit disposed of or demolished. Additionally, the Amendment confirms that HUD and CHA have reviewed and reconciled their respective records to arrive at a baseline for the award of additional Section 8 relocation and replacement vouchers under the MTW Agreement. As part of the reconciliation process, CHA produced a chart (which was attached to Amendment No. 1 as Appendix A) summarizing to the best of its ability the allocation of these previously issued Section 8 vouchers. HUD and CHA determined that CHA will require 13,230 vouchers in addition to the 7,527 vouchers awarded in 1995-96 to complete the Plan for Transformation as it is currently formulated. The Amendment also provided that if CHA fails to demolish a total of 20,757 units beginning in 1995 and as contemplated under the Plan for Transformation, the number of vouchers to which CHA is entitled will be reduced accordingly. It further provided that these vouchers will be included in the annual subsidy available to CHA in the year after CHA's demolitions occur, until the total number of 13,230 vouchers has been made available (assuming that CHA demolishes a total of 20,757 units).

By letter of February 28, 2001, CHA requested 5,232 vouchers for units demolished between 1995-1999, as well as for units demolished in fiscal year 2000. In response to this request, HUD awarded 1,608 vouchers to CHA by letter of June 28, 2001 for units demolished in fiscal year 2000. In order to settle the number of vouchers to which CHA is entitled for fiscal year 2000, and to avoid any confusion in the future over the number and timing of vouchers to be awarded to CHA by HUD under the MTW Agreement and the Plan for Transformation, CHA and HUD hereby agree as follows:

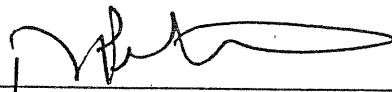
- (1) For CHA fiscal year 2000 (ending December 31, 2000), HUD will provide CHA with a total of 4,232 vouchers in two awards: (1) 1,608 vouchers, which have been awarded to CHA by HUD's June 28, 2001 letter; and (2) an additional 2,624 vouchers, which will be awarded to CHA within 30 days of the execution of this Amendment.
- (2) Including the 4,232 vouchers described in paragraph (1), above, HUD will have received a request for or awarded CHA a total of 11,759 relocation and replacement vouchers (7,527 vouchers in 1995-1996 and 4,232 vouchers in 2001 (including 2,624 requested in 2001, but not yet awarded)). CHA will require an additional 8,998 vouchers to complete the Plan for Transformation (provided that CHA demolishes a total of 20,757 public housing units). As described above, for purposes of the MTW Agreement, as amended, the total number of 20,757 vouchers to be awarded to CHA consists of both replacement vouchers and relocation vouchers. In fiscal year 2002 and thereafter, such vouchers will be made available to CHA in the CHA fiscal year after the CHA fiscal year during which CHA's demolitions occur, until the total number of 8,998 additional vouchers have been made available. Thus, CHA will be awarded vouchers for units demolished during CHA fiscal year 2001 (and an additional 1,000 vouchers as described in paragraph (3), below) concurrent with the issuance of the HUD notice announcing the availability of vouchers that may be used for relocation and replacement purposes by housing authorities from the Federal fiscal year 2002 appropriation. For purposes of awarding such vouchers, CHA's fiscal year (which begins on January 1st of a given calendar year), rather than the Federal fiscal year, will be used. As provided in Amendment No. 1, "(a)ll such Section 8 vouchers will be eligible for inclusion in the MTW block grant upon receipt by CHA".

- (3) In CHA fiscal year 2002 only, HUD will award vouchers to CHA for all units that were demolished in CHA fiscal year 2001 plus an additional 1,000 vouchers (all of which will be included in the total of 8,998 vouchers described in paragraph (2) above).
- (4) Each quarter, CHA will complete and submit to HUD unit removal update forms to report the demolition of units so that HUD has a complete record of the units that have been demolished to date. Units shall be reported as demolished when actual structural demolition of the building containing such units begins, subject to on-site verification by the local HUD office, and as of the date reported by CHA.

Except as provided in this Amendment No. 2, every term and condition contained in the MTW Agreement, as amended by Amendment No. 1, shall continue to apply with the same force and effect as if it were fully set forth herein.


This amendment is effective upon execution by HUD.

CHICAGO HOUSING AUTHORITY

By: 
Terry Peterson, Chief Executive Officer

Date of Execution by CHA: 3/20/02

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By: 
Michael Liu

Its: Assistant Secretary for Public and Indian Housing

Date of Execution by HUD: 4/08/02